

SWAN SCHEME IMPLEMENTATION PROCESS

I. Generic Processes

- Implementation process of SWAN Scheme (with DIT, Govt. of India support) in 29 States and 6 UTs starts with the Guidelines issued by Department of IT in October 20, 2004, (please see **Annexure-I**) to be followed by the beneficiary States / UTs to implement the Scheme with the CCEA approved DIT support.
- As per the Guidelines, States / UTs may either engage NIC as its Implementation Agency, or go through an appropriate PPP model, to outsource entire network establishment and operation services, to a competent Network Vendor identified through an appropriate bid process.
- As per Guidelines, DIT support would be limited to Capital Expenses to be incurred at all the Points of Presence (PoPs) of individual SWAN, cost of any consultancy required for pre-project implementation related activities, operational expenditure over a 5-year period and cost of Third Party audit to be instituted for the five years project period.
- As per Guidelines State/UT support would be limited to the cost to be incurred in preparation of all SWAN PoPs (and also preparation cost for horizontal offices) and bandwidth / wireless licence cost to be incurred for the entire network (including horizontal offices).
- When the network is commissioned and finally accepted, a Third Party Agency, identified through a suitable bid process, would monitor the performance of the network and operational expenses would be released as per its certification.
- For both the Options as mentioned above i.e. NIC route or PPP route, DIT has issued, from time to time
 - Guidelines on the Scheme (Annexure-I)
 - Guidelines on Standards, Interoperability, Security etc. (Annexure-II)
 - Guidelines on Service Level Agreements for Bandwidth Service Provider (Annexure-III)
 - Guidelines on Service Level Agreements for Network Vendor (Annexure-IV)
 - Evaluation Frame Work for State SWAN RFP (Annexure-V)

- Consultancy Assignment requirements for State Level Consultants (Annexure-VI)
- A Draft indicative RFP Template which requires to be customized by the individual State/UT (Annexure-VII)
- To coordinate and manage the entire SWAN Scheme implementation, DIT has engaged Pricewaterhouse Coopers as the SWAN Programme Management Consultant (SPMC) who has positioned a team in the DIT premises.
- At the State/UT level, all matters related to implementation of SWAN Scheme would be looked after by a State/UT level Implementation Committee comprising senior State/UT level officers from IT / Finance departments, representatives from DIT, NIC, DIT-IFD, outside Network Expert etc.
- The following two Sections detail the processes for two Options of implementation.

II. NIC as the State Implementation Agency

- If NIC is the Agency for implementation then it would carry out requirement analysis and survey, feasibility study, network architecture design, technical specifications and bill of materials as per design and work out the one time capital expenditure and 5 years operational expenditure on behalf of the State/UT.
- Once the technical and financial requirements of the State/UT are scrutinised and finalised by DIT, with the assistance from SPMC, all related procurement actions, using formal procedures, will be taken up by NICS I on behalf of State/UT.
- The operation and maintenance of the network for five years would be done by NIC under a Service Level Agreement between State/UT and NIC.
- Network performance is monitored by a Third Party Agency to be identified and commissioned by the State/UT for which budget is provided in the DIT share of the Opex.
- DIT, GoI would pay up the one time Capex required for the SWAN to NICS I and would also release the Opex installments as per scheduled quarterly requirements.
- In pursuant of the above process, in case State/UT feels that NIC efforts in project structuring related activities need to be supplemented by any professional Consultancy Agency, it may resort to identifying and procuring services of

Consulting Agency, through an appropriate process, to carry out defined tasks. The cost of such technical services can be booked under project expenses and fund can be released by NICS I for this purpose.

- Keeping the above in view, the process for **NIC Route for implementation of SWAN** may be summarised as below:

Sequence No.	Activity
1.	State/UT opting for NIC as the State-designated Implementation Agency
2.	NIC carries out all activities related to feasibility study, requirement analysis and survey, network architecture design, technical specifications and bill of materials as per design and work out the one time capital expenditure and 5 years operational expenditure on behalf of the State/UT.
3.	The SWAN proposal as prepared by NIC with completion of the above activities is submitted by the State/UT to DIT-GoI for consideration and further necessary action for approval.
4.	DIT SWAN team alongwith SPMC, carries out scrutiny of the proposal with any modifications, if required, before submitting it to CCEA approved Empowered Committee for consideration and approval.
5.	Empowered Committee considers and approves the proposal.
6.	Administrative Approval is issued by DIT and a request is sent to NICS I (as the recipient of the support fund) to send its agreement to the Terms and Conditions for receiving Grant-in-Aid.
7.	When acceptance from NICS I is received by DIT, the first installment of support fund (usually 20% of the approved DIT share) is released to NICS I
8.	NIC, State/UT and NICS I take further actions for procurement of capital equipment required for the SWAN.

9.	State/UT takes appropriate action to engage Third Party Agency for network performance and audit through a bid process.
10.	<p>NIC establishes the network and carries out the final acceptance testing.</p> <p>Concurrently, NIC takes appropriate action to organize and placement of manpower resources and institutional mechanism to operate and maintenance of SWAN network.</p>
11.	<p>Network is operated by NIC for five years with financial support from DIT on the operating expenses, financial support from State/UT on the bandwidth charges.</p> <p>The release of payment to NICS I by DIT for its share of operational expenses would be made on the basis of the Network Performance Audit Report/Certification issued by the Third Party Agency to the State/UT which is forwarded to DIT for release of payment.</p>

III. Outsourced Network Vendor as the SWAN establishing and operating agency

In case State / UT opts to outsource SWAN establishment and operation/maintenance activity to a Network Vendor, identified through an appropriate bid process, then the process would be as below:

- State/UT would designate an Agency under its administration, to function as the Nodal Agency for implementation of SWAN in the State / UT.
- The above designated Agency would open and operate two separate bank accounts for the support fund it would receive from DIT for Quarterly Guaranteed Revenue (QGR) support and for the funding support to be received through ACA (Planning Commission / Ministry of Finance) route, if any.
- To carry out all activities related to pre-implementation, State/UT may either task its above designated Agency or identify and procure services of a professional agency through an appropriate bid process, to carry out requirement analysis and survey, design of network architecture, preparation of SWAN proposal for approval of Empowered Committee. . Cost for all these services would be borne by DIT-GoI and by and large it is a part of the estimated payment outlay approved by Empowered Committee.
- After approval of the SWAN proposal by the Empowered Committee, the Consulting Agency would prepare RFP, Service Level and Contract documents, including technical specifications and bills of materials
- RFP prepared by the Consulting Agency as above, would be submitted to DIT for scrutiny and clearance.
- After RFP is cleared by DIT it will be issued by the State/UT. Pre-bid conference with prospective bidders would be conducted by the State/Agency.
- Bids received would be evaluated by the State/Agency with the help of the Consulting Agency (if any) and successful bidder is identified with the approval of State/UT level Implementation Committee.

- Contracts would be signed with the successful bidder to establish the network with appropriate Terms and Conditions with a predetermined schedule of implementation which would be monitored by the State-designated Agency and its Consulting Agency, the process culminating with final acceptance testing of the entire network.
- While implementation taking place, a second RFP would be issued by the State/UT for TPA commissioning and operationalisation of the SWAN, which would carry out periodic Network Performance Audit for five years.
- Once network is finally accepted by State/UT, then Network Vendor would operate the network for five years as per Terms and Conditions of the contract.
- Keeping the above in view, the process for **Network Vendor Route for implementation of SWAN** may be summarised as below:

Sequence No.	Activity
1.	State/UT opts for PPP model and also notifies its designated Implementation Agency, which opens two bank accounts, one for the DIT share of the approved outlay and another for the ACA fund which may be received through Planning Commission/Ministry of Finance route.
2.	State/UT decides to commission a Consulting Agency to carry out pre-project activities and identifies the same through an appropriate process.
3.	The State-level Consulting Agency, as identified above, carries out all activities related to feasibility study, requirement analysis and survey, network architecture design, technical specifications and bill of materials as per design and work out the one time capital expenditure and 5 years operational expenditure on behalf of the State/UT to prepare the SWAN proposal for consideration of Empowered Committee. (In case the State-designated Agency is competent to carry out all the above work, it may play the role of Consultant for the State, viz. WTL in WB, CHIPS in Chhatisgarh etc.)

4.	The SWAN proposal as prepared above with completion of the above activities, is submitted by the State/UT to DIT-GoI for consideration and further necessary action for approval.
5.	DIT SWAN team alongwith SPMC, carries out scrutiny of the proposal with any modifications, if required, before submitting it to CCEA approved Empowered Committee for consideration and approval.
6.	Empowered Committee considers and approves the proposal.
7.	Administrative Approval is issued by DIT and a request is sent to State-designated Agency (as the recipient of the support fund) to send its agreement to the Terms and Conditions for receiving Grant-in-Aid, under endorsement from State/UT.
8.	When acceptance of Terms and Conditions from State-designated Agency is received by DIT, the first installment of support fund (usually 20% of the approved DIT share) is released to the designated Agency to its bank account designated for DIT share.
9.	RFP prepared by the Consulting Agency as above, would be submitted to DIT for scrutiny and clearance.
10	After RFP is cleared by DIT it will be issued by the State/UT. Pre-bid conference with prospective bidders would be conducted by the State/Agency.
11.	Bids received would be evaluated by the State/Agency with the help of the Consulting Agency and successful bidder is identified with the approval of State/UT level Implementation Committee.
12.	Contracts would be signed with the successful bidder to establish the network with appropriate Terms and Conditions with a predetermined schedule of implementation which would be monitored by the State-designated Agency and its Consulting Agency, the process culminating with final acceptance testing of the entire network.

13.	While implementation taking place, a second RFP would be issued by the State/UT for Third Party Agency commissioning and operationalisation of the SWAN, which would carry out periodic Network Performance Audit for five years.
14.	Once network is finally accepted by State/UT, then Network Vendor would operate the network for five years as per Terms and Conditions of the contract.
15.	<p>Network is operated by Network Vendor for five years with financial support from DIT on the operating expenses, financial support from State/UT on the bandwidth charges.</p> <p>The release of payment to State-designated Agency by DIT for its share of operational expenses would be made on the basis of the Network Performance Audit Report/Certification issued by the Third Party Agency to the State/UT which is forwarded to DIT for release of payment.</p>